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UNITED STATES OF AMERICA POSTAL REGULATORY COMMISSION WASHINGTON, D.C. 20268-0001

Post Office Structure Plan

Docket No. N2012-2

PRESIDING OFFICER'S INFORMATION REQUEST NO. 3

(Issued June 21, 2012)

The Postal Service is requested to respond to the following questions to clarify the record on its request for an advisory opinion under 39 U.S.C. 3661(b) regarding the Post Office Structure Plan (POStPlan).¹ To facilitate inclusion of the requested material in the evidentiary record, the Postal Service shall have a witness attest to the accuracy of the answers and be prepared to explain, to the extent necessary, the basis for the answers at the hearing. Responses shall be provided as soon as they are available, but no later than June 28, 2012.

The following questions refer to the Postal Service's responses to POIR No. 1.2

1. In response to POIR No. 1, question 1(b), the Postal Service states, "If a review of a Post Office indicates that a reduction in the number of retail window service hours is appropriate, the Postal Service will apply its existing processes developed as part of the Postal Service's historical practice of reviewing Post Offices for changes in classification." Please describe what those historical practices include and highlight how community feedback will be considered.

¹ United States Postal Service Request for an Advisory Opinion on Changes in the Nature of Postal Services, May 25, 2012 (Request).

² United States Postal Service Responses to Presiding Officer's Information Request No. 1, June 15, 2012.

- In response to POIR No. 1, question 10, the Postal Service estimates that full implementation of the POStPlan will save more than \$500 million. The Postal Service reiterates that "postal management's goal in pursuing the POStPlan is to improve efficiency and meet customer needs...." (citing Request at 3). It adds that "[t]his goal is not contingent on a specific cost savings estimate or expectation."
 - a. By "improve efficiency," does the Postal Service mean reduce costs? If not, please explain what the Postal Service means by "improve efficiency" and include in the discussion how the Postal Service's current and projected financial situation plays a role or does not play a role in the need for the POStPlan.
 - According to the Postal Service, the goal of the POStPlan is not contingent on a specific level of savings. Would the Postal Service pursue the POStPlan if there were no savings? Please explain.

General Questions:

- 3. In Library Reference No. 1 (USPS-LR-N2012-2/1), Column Q titled "PTPO Status" contains blank entries, as well as entries labeled "Cluster," "Isolated," "Cluster (upgraded to 18)," and "Isolated (upgraded to 18)."
 - Please explain what each of these designations, including blank entries, represents.
 - b. Please explain how each post office's corresponding "PTPO Status" was determined.
 - Witness Day states, "As part of the POStPlan, Postal Service officials will
 consider three criteria: the AEWL [Adjusted Earned Workload] of a Post
 Office, the distribution of RMPOs (clusters), and the distance between

Post Offices." USPS-T-1 at 15, lines 11 through 13. Please explain how the distribution of clusters is used as a criterion as part of the POStPlan.

- Witness Day states, "Classification of a community's Post Office as an RMPO or PTPO does not preclude establishment of a contractor-operated unit in that community." USPS-T-1 at 15, lines 9 and 10. Would such a contractor-owned unit operate in addition to or in lieu of the existing RMPO or PTPO?
- 5. Please indicate whether the Postal Service will consider reduced post office box revenue in analyzing the net financial impact of the discontinuance as part of the improvements to the discontinuance process described on pages 22 to 24 of witness Day's testimony. If so, please explain how it intends to calculate the reduced revenue.
- 6. For customers who are unable to pick up parcels or accountable mail during the reduced hours, what options will be available for them to access their mail?

Nanci E. Langley Presiding Officer